

**State of Hawaii**  
County of Kauai

**IN THE MATTER OF**  
Notice of Public Hearings

**AFFIDAVIT OF PUBLICATION**

IN THE MATTER OF THE APPLICATION OF MAUI ELECTRIC COMPANY, LIMITED  
FOR APPROVAL OF RATE INCREASE AND REVISED RATE SCHEDULE

Docket No. 2007-1

The PUBLIC UTILITIES COMMISSION ("Commission") of the STATE OF HAWAII hereby gives NOTICE that it will hold public hearings on the application of MAUI ELECTRIC COMPANY, LIMITED ("MECO"), filed on February 28, 2007, for Commission approval of rate increases and revised rate schedules ("Application"). The public hearings will be held as follows:

**MAUI ISLAND**

Wednesday, April 18, 2007, 6:00 P.M.

Wailuku Police Center, Conference Room

80 Aina Street

Kauai-Honolulu, Wailuku, HI 96794

**LAHAINA**

Thursday, April 19, 2007, 6:00 P.M.

Lahaina School Cafeteria

180 Kamehameha Avenue

Kahului, Maui, HI 96732

**LAHAINA**

Thursday, April 19, 2007, 6:00 P.M.

Lahaina Elementary School Cafeteria

180 Kamehameha Avenue

Kahului, Maui, HI 96732

**MECO**

Wednesday, April 18, 2007, 6:00 P.M.

Wailuku Police Center, Conference Room

80 Aina Street

Kauai-Honolulu, Wailuku, HI 96794

**MECO** is an operating public utility engaged in the production, transmission, distribution, and sale of electricity on the Island of Maui, the production, transmission, distribution, and sale of water on the Islands of Maui, Oahu, and Kauai, and sale of telephone on the Island of Maui.

In its Application, MECO is seeking Commission approval of a proposed rate increase totaling approximately \$14,377,000, or about 2.4% over revenues at present rates for the 2007-2008 rate period, and a proposed revised rate schedule for the 2007-2008 rate period.

MECO's total cost of service for the 2007-2008 rate period is estimated to be approximately \$572,231,000. MECO's total cost of service for the 2006-2007 rate period was approximately \$571,231,000. MECO's total cost of service for the 2005-2006 rate period was approximately \$570,231,000. MECO's total cost of service for the 2004-2005 rate period was approximately \$569,231,000. MECO's total cost of service for the 2003-2004 rate period was approximately \$568,231,000. MECO's total cost of service for the 2002-2003 rate period was approximately \$567,231,000.

MECO's present rates were approved by the Commission in its decision issued on April 6, 2006, in Docket No. 2006-1046. MECO states that it filed this Application due to part in its transition to Medium Use RUR which would have increased its costs by an additional \$1.2 million in rates and expenses. MECO also states that rates will be required to reflect an additional \$1.2 million in rates and expenses for labor, materials, depreciation, and other operating expenses due to its increased cost of capital. Without rate relief, MECO estimates that its total cost of service will have increased by approximately \$572,231,000, or about 2.4%, over revenues at present rates for the 2007-2008 rate period.

MECO requests that the Commission approve the revisions to its rate schedule as proposed in MECO's "Revised Rate Schedule" based on the evidentiary record before it, in accordance with HRS § 209-12(d) and HRS § 209-12(e).

MECO also requests that the rate changes proposed in its Application be implemented when the total amount of the proposed rate increase is recovered through the recovery of the total amount of the proposed rate increase for the previous three years based on a percentage of the customer's base charge (i.e., exclusive of Board of Cost Adjustment and other surcharges). The following table shows MECO's proposed revised increased rate per present rates, as further explained and summarized, for different rate classes and rate schedules:

Rate Schedule Rate Class	Revenue At Present Rates (\$'000s)	Revenue At Proposed Rates (\$'000s)	Proposed Increase Amount (\$'000s)	Percent
Subsidiary B	\$ 121,219.3	\$ 130,364.9	\$ 8,145.6	6.7%
Subsidiary C	\$ 60,115.9	\$ 70,266.4	\$ 10,150.5	16.9%
Subsidiary D	\$ 71,000.2	\$ 75,000.0	\$ 3,999.8	5.6%
Subsidiary E	\$ 1,000.0	\$ 2,000.1	\$ 1,000.1	100.0%
Subsidiary F	\$ 90,000.0	\$ 104,200.0	\$ 14,200.0	15.7%
Subsidiary G	\$ 1,000.0	\$ 1,000.0	\$ 0.0	0.0%
Total Sales	\$ 322,315.2	\$ 358,832.5	\$ 36,517.3	11.3%
Other Operating	\$ 1,000.0	\$ 1,000.0	\$ 0.0	0.0%
MECO Total	\$ 323,315.2	\$ 359,832.5	\$ 36,517.3	11.3%

  

Local Division Rate Class	Revenue At Present Rates (\$'000s)	Revenue At Proposed Rates (\$'000s)	Proposed Increase Amount (\$'000s)	Percent
Subsidiary B	\$ 3,731.4	\$ 4,470.6	\$ 739.2	19.7%
Subsidiary C	\$ 785.2	\$ 785.2	\$ 0.0	0.0%
Subsidiary D	\$ 2,000.0	\$ 2,000.0	\$ 0.0	0.0%
Subsidiary E	\$ 180.0	\$ 180.0	\$ 0.0	0.0%
Subsidiary F	\$ 1,187.3	\$ 1,269.9	\$ 82.6	7.0%
Subsidiary G	\$ 100.0	\$ 100.0	\$ 0.0	0.0%
Subsidiary H	\$ 20.0	\$ 20.0	\$ 0.0	0.0%
Subsidiary I	\$ 10,466.7	\$ 10,667.3	\$ 200.6	1.9%
Other	\$ 10.0	\$ 10.0	\$ 0.0	0.0%
Total	\$ 10,486.7	\$ 10,867.3	\$ 380.6	3.5%

  

Municipal Division Rate Class	Revenue At Present Rates (\$'000s)	Revenue At Proposed Rates (\$'000s)	Proposed Increase Amount (\$'000s)	Percent
Subsidiary B	\$ 4,664.7	\$ 4,798.0	\$ 133.3	3.5%
Subsidiary C	\$ 1,760.3	\$ 1,760.3	\$ 0.0	0.0%
Subsidiary D	\$ 2,000.0	\$ 2,000.0	\$ 0.0	0.0%
Subsidiary E	\$ 642.0	\$ 672.0	\$ 30.0	4.7%
Subsidiary F	\$ 1,784.9	\$ 1,878.1	\$ 93.2	5.2%
Subsidiary G	\$ 1,000.0	\$ 1,000.0	\$ 0.0	0.0%
Total Sales	\$ 11,821.0	\$ 12,007.2	\$ 186.2	1.6%
Other Operating	\$ 10.0	\$ 10.0	\$ 0.0	0.0%
Total	\$ 11,831.0	\$ 12,007.2	\$ 186.2	1.6%

  

MECO Total	Revenue At Present Rates (\$'000s)	Revenue At Proposed Rates (\$'000s)	Proposed Increase Amount (\$'000s)	Percent
MECO Total	\$ 323,315.2	\$ 359,832.5	\$ 36,517.3	11.3%

The actual customers impacted for each division and each rate schedule may be different from the proposed amounts, as a result of the Commission's decisions with respect to the allocation of the increases to the divisions and the various rate schedules. The increases experienced by a particular customer will depend on the customer's schedule of services, and rate schedule.

MECO also requests that the rate changes proposed in its Application be implemented when the total amount of the proposed rate increase is recovered through the recovery of the total amount of the proposed rate increase for the previous three years based on a percentage of the customer's base charge (i.e., exclusive of Board of Cost Adjustment and other surcharges). The following table shows MECO's proposed revised increased rate per present rates, as further explained and summarized, for different rate classes and rate schedules:

STATE OF HAWAII  
COUNTY OF KAUAI, SS

Carmencita P. Centeno being duly sworn, deposes and says, that she is an employee of "The Garden Island", a newspaper published in Lihue, County of Kauai, State of Hawaii, that the NOTICE in the above entitled matter of which she annexed is a true and correct printed copy, was published (one times) in "The Garden Island" aforesaid, commencing on the 2nd day of April, and ending on the 29th day of April, 2007 (both days inclusive), on April 2, 10, 17, 24, 31, 2007 and that she affiant is not a party to or in any way interested in the above entitled matter.

Carmencita P. Centeno  
CARMENCITA P. CENTENO  
Notary Public, Fifth Judicial Circuit  
State of Hawaii

My Commission Expires  
Jul 25, 2008

Notarial signatures appearing for each division and each rate schedule may be different from the proposed amounts, as a result of the Commission's decisions with respect to the allocation of the increases to the divisions and the various rate schedules. The increases experienced by a particular customer will depend on the customer's schedule of services, and rate schedule.

MECO also requests that the rate changes proposed in its Application be implemented when the total amount of the proposed rate increase is recovered through the recovery of the total amount of the proposed rate increase for the previous three years based on a percentage of the customer's base charge (i.e., exclusive of Board of Cost Adjustment and other surcharges). The following table shows MECO's proposed revised increased rate per present rates, as further explained and summarized, for different rate classes and rate schedules:

The following table summarizes the proposed rate increases for each rate class and rate schedule.

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